GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:146
ANSWERED ON:18.02.2003
URBAN REFORMS
IQBAL AHMED SARADGI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether his Ministry have differences with Ministry of Finance over the amount to be released to States for taking up the urban reforms;

(b) if so, whether the differences also exist between the Centre and the States on the pace of reforms;

(c) if so, the details thereof and reasons therefor;

(d) whether the Ministry on its part is keen to see that Funds starting flowing out of the Rs.500 crore kitty before the financial year ends and has stressed that full share of agreeable States be released; and

(e) if so, the extent to which the Ministry have been able to get the funds released for urban development reforms in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI RADHAKIRISHNAN)

(a)to(e): Yes Sir, a provision of Rs.500 crores has been made in the current year`s Budget for the implementation of the Urban Reforms Incentive Fund (URIF),which is to be released as Additional Central Assistance to Annual Plans of the States. Planning Commission has worked out State-wise allocations on the basis of share of each State in urban population and included the same among States resources at the time of fixing the size of Annual Plan. The process of release would however be initiated by States individually entering into a Memorandum of Agreement (MoA) with the Central Government.The above position has been brought to the notice of all State Governments and the draft Memorandum of Agreement to be signed with them has been circulated to them. This issue was also deliberated upon in the Housing Minister`s Conference held on 12.9.2002. General consensus is that urban reforms is a lengthy process and reforms cannot be thrust upon the States. Some States are willing to sign MoA in a modified form i.e. while they are willing to make certain reforms, they are not interested in some other Reforms.

So far, no release has been made because the scheme is under finalization in consultation with concerned Ministries and thus no State has yet been able to sign the Memorandum of Agreement.